

July 21, 2022

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

**RE: UE 399/UM 2186(1)—Application for Approval of Deferred Accounting for Costs  
Relating to a Renewable Resource Pursuant to ORS 469A.120**

PacifiCorp d/b/a Pacific Power submits for filing its application to defer costs associated with the renewable resource pursuant to ORS 469A.120.

PacifiCorp respectfully requests that all communications related to this filing be addressed to:

Oregon Dockets  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Ajay Kumar  
Senior Attorney  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[ajay.kumar@pacificorp.com](mailto:ajay.kumar@pacificorp.com)

Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Informal inquiries may be directed to Cathie Allen, Manager, Regulatory Affairs, at (503) 813-5934.

Sincerely,



Shelley McCoy  
Director, Regulation

Enclosures

Cc: UM 2186 Service List  
UE 399 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 399 AND UM 2186(1)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting  
for Costs Relating to a Renewable Resource  
Pursuant to ORS 469A.120

**APPLICATION FOR DEFERRED  
ACCOUNTING**

**I. INTRODUCTION**

In accordance with ORS 469A.120(1) and (3), ORS 757.259(2)(e) and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) applies to the Public Utility Commission of Oregon (Commission) for an order authorizing the Company to defer the revenue requirement associated with the remaining portion (384.9 megawatts (MW)) of the TB Flats wind facility.<sup>1</sup> This portion of TB Flats was fully placed into service on July 26, 2021. PacifiCorp seeks continued deferral of the revenue requirement to allow the Company to match the costs and benefits of the TB Flats resource for later inclusion in rates. PacifiCorp seeks reauthorization to defer these costs through December 31, 2022.

**II. CONTACT INFORMATION**

Communications regarding this application should be addressed to:

Oregon Dockets  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

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Portland, OR 97232  
Email: [ajay.kumar@pacificorp.com](mailto:ajay.kumar@pacificorp.com)

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<sup>1</sup> 118.3 MW of the TB Flats wind resource was placed in service by December 21, 2020, and included in PacifiCorp's compliance filing in docket UE 374.

In addition, PacifiCorp requests that all data requests regarding this application be sent to the following:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

Informal questions may be directed to Cathie Allen, Regulatory Affairs Manager, at (503) 813-5934.

### III. BACKGROUND

#### A. Statutory and Regulatory Framework

On June 6, 2007, the Oregon Legislature enacted SB 838, codified as ORS 469A.005 *et seq.*, to establish a renewable portfolio standard (RPS) applicable to certain Oregon utilities. As part of this law, ORS 469A.120(1) authorizes utilities to recover prudently incurred costs associated with RPS Compliance. The Commission has authorized use of deferred accounting as a method for cost recovery of prudently incurred costs relating to RPS Compliance.<sup>2</sup>

In docket UM 1330, the Commission approved the renewable adjustment clause (RAC) stipulation (RAC Stipulation)<sup>3</sup> that outlined the terms and conditions governing the RAC, the automatic adjustment clause established by the Commission as required by Senate

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<sup>2</sup> See *In the Matter of PacifiCorp Application for an Accounting Order Approving Deferral of Costs Relating to Renewable Resources Pursuant to Senate Bill 838*, Docket UM 1338(1), Order No. 08-508 (Oct. 22, 2008); *In the Matter of PacifiCorp Application for Deferral of Costs Relating to Renewable Resources Pursuant to Senate Bill 838*, Docket UM 1338, Order No. 07-457 (Oct. 25, 2007); *In the Matter of PacifiCorp dba Pacific Power, Application for Deferred Accounting*, Docket UM 1454, Order No. 10-032 (Feb. 3, 2010).

<sup>3</sup> *In the Matter of Investigation of Automatic Adjustment Clause Pursuant to SB 838*, Docket UM 1330, Order No. 07-572, Appendix A (Dec. 19, 2007) (hereinafter “RAC Stipulation”).

Bill (SB) 838.<sup>4</sup> The parties to the RAC Stipulation agreed to support the use of deferred accounting to allow for an opportunity for recovery of the prudently incurred costs, net of dispatch benefits as appropriate, of an eligible resource for the period between when the resource is placed in service and when the resource enters rates on January 1.<sup>5</sup> Additionally, the deferral of the revenue requirement for this facility is consistent with the Commission’s authority under ORS 757.259(2)(e) which “empowers the Commission to authorize the deferral of capital project costs, including depreciation expense and financing costs.”<sup>6</sup>

In PacifiCorp’s 2020 general rate case (docket UE 374), the Commission examined the TB Flats project as part of PacifiCorp’s Energy Vision 2020 projects and determined it was “prudent and in the public interest.”<sup>7</sup> On December 28, 2020, PacifiCorp made a compliance filing in docket UE 374 to reflect that 118.3 MW (35 wind turbine generators) of the TB Flats wind project had been placed online and in-service.<sup>8</sup> In addition to the general rate case order, the parties to the 2021 Transition Adjustment Mechanism had agreed that the full value of the production tax credit (PTC) and net power cost (NPC) benefits from the online date of these projects will be provided to customers coincident with rate recovery for the new wind projects.<sup>9</sup> On July 27, 2021, PacifiCorp submitted an application to defer costs associated with the remaining 384.9 MW (97 wind turbine generators) of the TB Flats wind project that were not included in the Company’s December 28, 2020 compliance filing and

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<sup>4</sup> *Id.* at 6.

<sup>5</sup> *Id.*

<sup>6</sup> *In the Matter of Public Utility Commission of Oregon, Investigation of the Scope of the Commission’s Authority to Defer Capital Costs*, Docket UM 1909, Order No. 20-147 (Apr. 30, 2020).

<sup>7</sup> *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Order No. 20-473 at 50 (Dec. 18, 2020).

<sup>8</sup> *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Advice No. 20-017 (Dec. 28, 2020).

<sup>9</sup> *In the Matter of PacifiCorp dba Pacific Power, 2021 Transition Adjustment Mechanism*, Docket UE 375, Order 20-392 at Appendix A, ¶18 (Oct. 30, 2020).

were in-service on July 26, 2021. On April 11, 2022, the Commission decided to consolidate the deferral filings, including UM 2186, with the 2022 rate case UE 399.<sup>10</sup> PacifiCorp has proposed the approval and amortization of the costs of benefits of the remaining 384.9 MW of TB Flats to be recovered in the 2023 rate case.

#### **IV. REAUTHORIZATION OF DEFERRAL COSTS**

PacifiCorp respectfully requests approval reauthorizing the deferral for future ratemaking of the costs and benefits related to TB Flats. The deferrals will allow the Company to match the customer costs and benefits and recover the prudently incurred costs of renewable resources for later inclusion in rates, as provided by ORS 469A.120.

##### **A. Description of Utility Expense**

TB Flats is a nominal 500 MW resource consisting of 132 wind turbine generators with a total nameplate capacity of 503.2 MW. By December 21, 2020, 35 wind turbine generators were placed in service and included in customer rates on January 1, 2021. The remaining 97 wind turbine generators were fully placed into service, producing power, and connected to transmission facilities on an ongoing basis after December 21, 2020, and were all fully placed in service by July 26, 2021. The requested deferral is for the costs and benefits of the 97 remaining wind turbine generators at the TB Flats wind facility that are not yet included in customer rates.

##### **B. Reasons for Deferral**

As described above, TB Flats is currently in commercial operation and is used and useful, but the costs and benefits associated with the resource are not currently reflected in

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<sup>10</sup> *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision, Docket No. UE 399, Application for Approval of Deferred Accounting for Costs Relating to a Renewable Resource Pursuant to ORS 469A.120, Docket No. UM 2186, et al, Ruling at 4 (April 11, 2022).*

rates. The Commission has examined the TB Flats wind project as part of PacifiCorp’s most recent general rate case and determined that it was “prudent and in the public interest”.<sup>11</sup> However, since all of the remaining wind turbine generators would not be in service by June 30, 2021, PacifiCorp conferred with the parties to the general rate case. After those discussions PacifiCorp determined it was necessary to include these costs in the 2023 rate case. This deferral accounts for the costs and benefits of the TB Flats project until it is recovered through rates at the conclusion of the 2023 rate case proceeding.

### **C. Proposed Accounting**

Beginning on July 27, 2021, PacifiCorp proposes to account for the revenue requirement and NPC and PTC benefits<sup>12</sup> of TB Flats by recording the deferral in Account 182.3 (Regulatory Assets).

### **D. Estimate of Amounts**

PacifiCorp estimates that approximately \$6.2 million may be deferred for the revenue requirement of TB Flats for the approximately 5 months beginning July 27, 2022.

### **E. Notice**

A Notice of PacifiCorp’s Application for Approval of Deferred Accounting for Costs relating to a renewable resource pursuant to ORS 469A.120 is included as Exhibit A, along with the list of persons served.

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<sup>11</sup> *In the Matter of PacifiCorp dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Order No. 20-473 at 50 (Dec. 18, 2020).

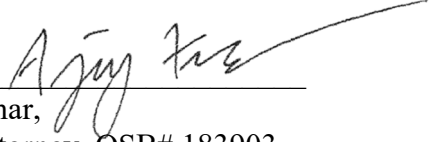
<sup>12</sup> Beginning January 1, 2022, the NPC and PTC benefits of TB Flats are included in customer rates through the 2022 TAM, UE 390.

**V. CONCLUSION**

PacifiCorp respectfully requests that, in accordance with ORS 469A.120 (1) and (3), the Commission authorize the Company to defer the costs described in this Application.

Respectfully submitted this 21st day of July 2022.

By:

  
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Ajay Kumar,  
Senior Attorney, OSB# 183903  
PacifiCorp d/b/a Pacific Power  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

*Attorney for PacifiCorp*

# **Exhibit A**



**EXHIBIT A**

**NOTICE**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UE 399/UM 2186(1)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred Accounting  
for Costs Relating to a Renewable Resource  
Pursuant to ORS 469A.120

**NOTICE OF  
APPLICATION FOR DEFERRED  
ACCOUNTING**

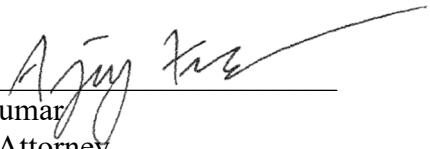
On July 21, 2022, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing the company to continue to defer the revenue requirement associated with the remaining portion of the TB Flats wind facility. The granting of this application will not authorize a change in rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding. To obtain a copy of the application, contact the following:

Oregon Dockets  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Any person who wishes to submit written comments to the Commission must do so within 25 days of the date of PacifiCorp's application.

Respectfully submitted on July 21, 2022.

By:

  
Ajay Kumar  
Senior Attorney

## CERTIFICATE OF SERVICE

I certify that I served a true and correct copy of **PacifiCorp's Reauthorization of Deferral for TB Flatts** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

### Service List UM 2186

<b>PACIFICORP</b>	
PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND, OR 97232 <a href="mailto:oregondockets@pacificorp.com">oregondockets@pacificorp.com</a>	AJAY KUMAR 825 MULTNOMAH ST., STE. 2000 PORTLAN OR 97232 <a href="mailto:ajay.kumar@pacificorp.com">ajay.kumar@pacificorp.com</a>
<b>STAFF</b>	
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MITCH MOORE PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM OR 97308-1088 <a href="mailto:mitch.moore@puc.oregon.gov">mitch.moore@puc.oregon.gov</a>	KATHY ZARATE PUBLIC UTILITY COMMISSION OF OREGON 201 HIGH ST SE STE 100 SALEM OR 97301 <a href="mailto:kathy.zarate@puc.oregon.gov">kathy.zarate@puc.oregon.gov</a>

Dated this 21<sup>st</sup> day of July 2022.

  
\_\_\_\_\_  
Santiago Gutierrez  
Coordinator, Regulatory Operations

## CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of **PacifiCorp's Reauthorization of Deferral for TB Flatts** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

### Service List UE 399

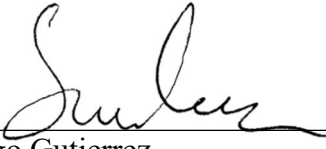
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<p>TYLER C PEPPLER (C)          DAVISON VAN CLEVE, PC          1750 SW HARBOR WAY STE 450          PORTLAND, OR 97201  <a href="mailto:tcp@dvclaw.com">tcp@dvclaw.com</a></p>	
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<p><b>FRED MEYER</b></p>	
<p>JUSTIN BIEBER (C)          FRED MEYER/ENERGY STRATEGIES LLC          215 SOUTH STATE STREET, STE 200          SALT LAKE CITY, UT 84111  <a href="mailto:jbieber@energystrat.com">jbieber@energystrat.com</a></p>	<p>KURT J BOEHM (C)          BOEHM KURTZ &amp; LOWRY          36 E SEVENTH ST - STE 1510          CINCINNATI, OH 45202  <a href="mailto:kboehm@bkllawfirm.com">kboehm@bkllawfirm.com</a></p>
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<b>KWUA</b>	
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ALEX KRONAUER (C) WALMART <a href="mailto:alex.kronauer@walmart.com">alex.kronauer@walmart.com</a>	

Dated this 21<sup>st</sup> day of July 2022.

  
 \_\_\_\_\_  
 Santiago Gutierrez  
 Coordinator, Regulatory Operations